



County of Los Angeles CHIEF EXECUTIVE OFFICE

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Chief Executive Officer

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Second District

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Third District

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Fifth District

March 20, 2008

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

SACRAMENTO UPDATE

Health Care Reform Update

As previously reported, County-supported AB X1 1 (Nuñez), which would reform the State's health care system, failed passage in the Senate Health Committee in late January 2008 because of concerns expressed by Committee members and Senate pro Tem Don Perata regarding its potential impact on the State General Fund at a time when the State is facing a multi-billion dollar budget shortfall. This view was reinforced by the Legislative Analyst Office's (LAO) report which cited the potential negative impact of health care reform on the General Fund, largely because targeted revenue sources, such as the cigarette tax, were not adequate to sustain a growing program. While the goal of health care reform is shared by the Governor and the Legislature, attention is being focused on resolving the State's Budget crisis.

Following the Senate Health Committee's rejection of AB X1 1, Governor Schwarzenegger issued the following statement:

"Despite the Senate's rejection of our comprehensive health care reform bill, I want the people of California to know I will not give up trying to fix our broken health care system. The issue is too important and the crisis is too serious to walk away after all the great progress we have made. The problems will not disappear. In fact, they are likely to get worse. I am someone who does not give up, especially when there is a problem as big and as serious as health care that needs to be fixed. One setback is just that - a

setback. I still believe comprehensive health care reform is needed in California. We will keep moving forward. I can promise you that."

Our Sacramento advocates have heard from various sources that the Governor intends to bring back discussion of Health Care Reform in 2009 followed by a ballot measure in 2010. A number of health care coverage bills have been introduced with components taken from, or expanding on, the earlier Health Care Reform language. These bills include AB 2967 (Fuentes), which would require development of a health care cost and quality transparency plan to improve medical data collection, and AB 1945 (De La Torre) which would require a health plan to obtain final approval from its regulator prior to rescinding, canceling, or limiting coverage of a plan. Numerous spot bills also have been introduced relating to health care coverage, but they have not yet been amended with specific language.

Public Safety Budget Hearings

On March 12, 2008, both the Senate and Assembly budget subcommittees met to consider a number of public safety issues that included the early release and summary parole proposal presented in the Governor's Proposed Budget for FY 2008-09, and the LAO alternate proposal for Parole Realignment, felony sentence reduction, and consolidation of local assistance grants.

The Senate hearing discussed the Governor's prison population management proposals of early release and summary parole. Committee members were concerned that the Administration had failed to provide details of the impact on local communities and the facilities restructuring plans pursuant to AB 900 which funds additional prison beds and treatment facilities. There was also discussion of the LAO's alternate plan for reducing prison and parole population that includes Parole Realignment and felony sentence reduction. This alternate plan was created to address the LAO's concern that the Governor's proposals would place approximately 63,000 mid-level offenders and former felons into the community without supervision. Representatives from the California State Association of Counties (CSAC) and the Chief Probation Officers of California (CPOC) expressed a willingness to discuss key areas such as the adequacy of funding and the counties ability to develop the necessary workforce. Representatives from the League of Cities and the special enterprise districts expressed strong opposition to the shift of Proposition 172 Public Safety Augmentation Fund sales taxes and property tax revenues, respectively, to fund the LAO's parole realignment proposal.

The Assembly hearing also discussed the LAO's Parole Realignment, felony sentence reduction and consolidation of local assistance grants such as Citizens' Option for Public Safety, Mentally Ill Offender Crime Reduction Grant and Sexual Assault Felony Enforcement Grant. CSAC and CPOC representatives again expressed their willingness to further discuss the Parole Realignment proposal. The cities and special districts opposed the Proposition 172 sales tax and property tax transfers to fund Parole

Realignment. Testimony provided by local government and law enforcement agencies generally opposed the felony sentence reduction and the reduction of local assistance grants.

Both hearings were informational in nature and neither subcommittee took any action on the issues.

Pursuit of County Position on Legislation

AB 860 (Salas), as amended on February 28, 2008, would extend the sunset date from January 1, 2010 to January 1, 2018 for surcharges on vehicle registration fees imposed at county option to fund local vehicle theft prevention programs.

Existing law imposes, as a county option, an additional fee of one dollar per vehicle and an additional service fee of two dollars on all commercial motor vehicles to fund local programs relating to vehicle theft crimes. The Sheriff uses these funds to manage the Taskforce for Regional Autotheft Prevention (TRAP) program. TRAP includes representatives from the Sheriff, the Los Angeles Police Department, District Attorney and a number of other local police departments. TRAP investigates and prosecutes vehicle theft and other activities. According to the Sheriff's Department, TRAP has been responsible for 6,949 arrests, served 3,066 warrants, and recovered 18,718 vehicles with an estimated value of \$320 million since 1993.

The Sheriff's Department and this office support AB 860. Support of AB 860 is consistent with the Board's previous support of AB 183 (Chapter 232, Statutes of 1999) which provided for the extension of this surcharge. Support of AB 860 also is consistent with Board policy to support funding for multi-agency collaborative justice programs. Therefore, our **Sacramento advocates will support AB 860.**

This bill has been referred to the Senate Transportation and Housing Committee. No hearing date has been set. AB 860 is co-sponsored by the Los Angeles County Sheriff, Los Angeles County District Attorney and the California State Sheriff's Association. Currently, there is no registered support or opposition on file.

AB 1917 (Dymally), as amended on March 3, 2008, would authorize Los Angeles County, by a resolution adopted by a majority vote of the Board of Supervisors, to classify physicians working in a County jail or a locked County mental health facility as safety members for purposes of retirement. AB 1917 also provides for the calculation of the retirement allowance of a member with credit for time during which he or she was not a safety member and use of the benefit formula applicable to existing safety members in Los Angeles County.

The County currently does not authorize the safety designation for physicians employed in County jails or locked mental health facilities. To do so prospectively would

substantially increase the pension costs to the County. AB 1917 provides retirement allowances to physicians retroactively for qualifying credit and thereby imposes additional employer costs on the County for services already provided. As a result, the County would incur substantial additional costs and receive no additional benefit. In addition, AB 1917 would set a precedent and process for other classifications to seek similar treatment with regard to classification as a safety member for purposes of retirement. Moreover, your Board can make such determinations without specific legislation.

This office opposes AB 1917. Opposition to AB 1917 is consistent with previous positions taken by your Board on similar legislation such as AB 596 (Dymally) which is comparable to AB 1917 with the exception of the AB 1917 requirement that the Board of Supervisors authorize such a retirement enhancement by resolution. In addition, opposition to AB 1917 is consistent with County policy to oppose legislation that mandates eligibility of additional employees for safety retirement benefit provisions. Therefore, our **Sacramento advocates will oppose AB 1917.**

This measure is currently pending a hearing in the Assembly Public Employees, Retirement and Social Security Committee. Currently, there is no registered support or opposition on file.

SB 1222 (Cedillo), as introduced on February 14, 2008, would appropriate to the Department of Veterans Affairs (DVA) from the State General Fund an amount equal to three dollars per veteran beginning in FY 2008-09. Funds would be distributed on a pro rata basis to each county that has established and maintained a county veteran service officer. In Los Angeles County, there are approximately 400,000 veterans.

Existing law requires the DVA to disburse funds pursuant to the annual Budget Act on a pro rata basis to counties. While the Legislature is authorized to fund county veteran service offices up to five million dollars, only \$2.6 million is allocated in the current year. SB 1222 would repeal this provision in favor of the three dollar per veteran appropriation.

The Department of Military and Veteran's Affairs and this office support SB 1222. Support is consistent with existing Board policy to support increased efforts to reduce homelessness for veterans and their families, increase affordable housing, mental health services, training, placement and employment opportunities, and provide other essential assistance to those who have honorably served in our armed forces. Therefore, our **Sacramento advocates will support SB 1222.**

This bill is scheduled for hearing before the Senate Committee on Veterans Affairs on March 25, 2008. Currently, there is no registered support or opposition on file.

SB 1341 (Padilla), as introduced on February 20, 2008, would permit CalWORKs recipients to retain savings and interest earned on savings in a special account to secure permanent rental housing or to make a rental payment to overcome an episode of homelessness. Under current law, CalWORKs families may retain savings and interest on these savings to pay for education or job training. CalWORKs recipients who wish to retain savings and interest for these purposes must enter into a written agreement with the County to establish a special account with a financial institution. SB 1341 would extend the use of these special accounts to retain savings and interest to secure permanent housing.

On average, approximately 5,000 CalWORKs families in Los Angeles County may be homeless in a given month. Under current law, CalWORKs families who are homeless or at-risk of homelessness must spend all of their savings in excess of \$100 to receive permanent housing assistance. Limiting the amount of savings CalWORKs families may retain for housing creates an unnecessary hardship should a family lose housing, and may lead to families becoming homeless and remaining homeless for longer periods of time. In addition, homeless CalWORKs families who are placed in shelters are often required to save money, which is placed in a special account, as a condition of receiving shelter placement. This places CalWORKs families in the dilemma of losing shelter placement or CalWORKs benefits, ultimately making it more difficult for them to secure permanent housing.

The Department of Public Social Services and this office support SB 1341. Support of SB 1341 is consistent with existing Board policy to support proposals to increase services and benefits for CalWORKs homeless families and services and benefits to prevent homelessness among families receiving CalWORKs. Therefore, **our Sacramento advocates will support SB 1341.**

The bill is scheduled for hearing in the Senate Human Service Committee on March 25, 2008. Currently, there is no registered support or opposition on file.

We will continue to keep you advised.

WTF:GK:MAL
DD:IGR:lm

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants